



News Release

Date: March 30, 2004
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FLINT HILLS RESOURCES TO PURCHASE BP PERFORMANCE CHEMICALS UNIT

WICHITA, Kan. – Subsidiaries of Flint Hills Resources, LLC, an independent refining and chemicals company based here, today agreed to acquire assets from BP's global performance chemicals business unit. Terms of the agreement were not disclosed.

The proposed purchase includes a production facility in Joliet, Ill., as well as a long-term agreement for the production from a Geel, Belgium plant, which will continue to be operated by BP. In addition, Flint Hills Resources will also acquire research and marketing capabilities associated with the performance chemicals business.

“This purchase is a good fit for us,” said Dave Robertson, president and chief executive officer of Flint Hills Resources. “It integrates well with our core business and offers competitive assets that are well-positioned to bring value to customers worldwide. We think the talented workforce and outstanding research and development knowledge will mean opportunities for long-term growth, globally.”

The purchase remains subject to a number of conditions, including Hart-Scott-Rodino review as well as other regulatory approvals. The transaction is expected to be complete in the second quarter of this year.

The Joliet plant will complement Flint Hills Resources' existing chemicals production facility, located inside its Corpus Christi, Texas, complex that refines about 290,000 barrels of crude oil daily. Flint Hills Resources currently produces about 4 billion pounds of commodity chemicals annually, including pseudocumene, as well as other chemicals such as orthoxylene, metaxylene, paraxylene, benzene, cumene and toluene.

Flint Hills Resources, which also has a refinery in Minnesota, near the Twin Cities that refines about 270,000 barrels-per-day, has made a number of growth moves in recent months. “Flint Hills Resources is looking for growth opportunities where our experience in efficiently producing products and creating value for customers can bring additional value to the business,” Robertson said.

The company, a subsidiary of Koch Industries, Inc., is currently finalizing an acquisition of a 220,000 barrel-per-day refinery near Fairbanks, Alaska, and product terminals in Anchorage and Fairbanks. In July 2003, it completed an investment in Excel Paralubes in Lake Charles, La., expanding its marketing capabilities into a new petroleum product line. Excel produces about 21,000 barrels per day of Group II base oil, used to make motor oil and other lubricants. Flint Hills Resources also has crude oil purchasing and transportation interests in Canada, performs other crude oil supply activities, markets petrochemicals worldwide, and markets refined products.

Flint Hills Resources has earned industry accolades for its environmental, health and safety performance. The company's effort to reduce refinery flaring received the 2003 Clean Air Excellence Award from the U.S. Environmental Protection Agency on March 23. The company's Corpus Christi refining complex has earned the National Petrochemical & Refiners Association Distinguished Safety Award, one of the industry's highest safety commendations, for the second consecutive year.

More information about the company is available at www.fhr.com.